



DONOR INFORMATION

WITH CHOICE COMES OPPORTUNITY -
WE'RE CREATING OPPORTUNITY FOR
INDIANA'S KIDS

Our scholarships remove the financial constraints on low-income Indiana households that want to seek and choose the best education journey for their children.

In addition to the federal tax deduction for donating to a 501(c) (3), individuals and companies that donate to our scholarship fund receive an Indiana state tax credit equal to 50% of the amount given.

Many Indiana households want to enroll their children in a school that offers a unique experience tailored to their learning styles and personalities. However, the out-of-pocket cost prevents them from pursuing these options.

The Indiana School Scholarship Tax Credit Program is an innovated approach to increasing access to education opportunities other than the public school system. The tax credits available equate to less than 0.04 percent of the almost \$7.6 billion the state budgets for K-12 public education; yet, the tax credit incentive makes it possible to raise \$10 million for scholarships.

By donating to Scholarships for Education Choice, you not only benefit from the incredible tax savings, but you make it possible for families and their kids to seek and select the academic journey they believe is best.

Your support creates choice and, thus, greater opportunities for Indiana's kids!

Michael Lindell, Director
SCHOLARSHIPS FOR EDUCATION CHOICE

SCHOLARSHIPS FOR EDUCATION CHOICE is an Indiana Department of Education certified scholarship granting organization (SGO). We offer scholarships to students in grades K-12 and families that qualify under the Indiana School Scholarship Tax Credit Program.

SCHOLARSHIPS FOR EDUCATION CHOICE exists for children and households who want to consider education alternatives to the public school system but they are constrained by their financial circumstances. Our scholarships provide households with the opportunity to research and choose what they believe is best for their kids.

SCHOLARSHIPS FOR EDUCATION CHOICE is an initiative of Sagamore Institute—an Indianapolis-based nonprofit, nonpartisan, public policy research organization, or “think tank”. Sagamore believes in turning the best ideas and innovations into smart policy and sound solutions for America’s heartland.

FREQUENTLY ASKED QUESTIONS

Q: How can I or my company make a donation to the scholarship fund?

A: Complete the Donor Form and mail it along with a check made payable to “Sagamore Institute” to the address on the form. Upon receipt, we will work with the Indiana Department of Revenue to secure and reserve the tax credit. The Indiana DOR will provide us with a certification number that we’ll include with a letter to donor that can be used when filing federal and state taxes.

Q: Who receives the scholarships?

A: Children from households with an annual income of 200% or less of the eligibility guidelines to qualify for the federal free & reduced meal program who are enrolling in a tuition-based accredited school. They must be entering Kindergarten or entering grade 1-12 having spent the previous semester in a public school. Once they receive the scholarship they are eligible in subsequent years as long as they are enrolled in an eligible school.

Q: Is there a cap on the tax credits available?

A: Yes. The state has allocated \$5M per year in available tax credits. This cap resets on July 1st each year.

Q: Is there a limit on the tax credit amount a donor can receive?

A: No, as long as the donation doesn’t exceed the available credits under the state allocation cap.

Q: What happens if the tax credit is no longer available after a donation is submitted?

A: If the DOR informs us that the tax credit cap has been reached, we will contact the donor and give them the opportunity to rescind their gift.

Q: Can the tax credit be applied to a previous year or carried over to a subsequent year?

A: No. According to the Indiana Code that governs the program (IC 6-3.1), “A taxpayer is not entitled to a carryover, carryback, or refund of unused credit.”

Q: What happens if my company is a “pass through entity” and doesn’t have any tax liabilities?

A: A shareholder, partner, or member of the pass through entity is entitled to a tax credit equal to:
(1.) the tax credit determined for the pass through entity for the taxable year; multiplied by
(2.) the percentage of the pass through entity’s distributive income to which the shareholder, partner, or member is entitled.

Q: Can a donor stipulate that their gift be used to scholarship a particular student or household?

A: No. All scholarship applications are processed and awarded on a first-come/first-served basis.

Q: Can a donor designate their gift to be used to fund scholarships for a particular school?

A: Yes. We are willing to manage designated scholarship funds for eligible schools. We do require a relationship and understanding with the school to ensure that they are actively enrolling students from eligible households and comply with the eligibility guidelines established by the state of Indiana.

Q: Is the entire donation used to fund scholarships?

A: No. The state allows us to debit each donation up to 10% to fund administrative costs associated with running the program. We are required to award 100% of any earnings from the scholarship funds.

Q: Will I receive updates about the program and other Sagamore Institute activities or events?

A: On the donor form, donors are given the opportunity to opt-in for either or both.

Additional questions? Write us at: scholarships@sagamoreinstitute.org

Sagamore Launches Scholarship Program for Low-Income Families

Sagamore recently recruited [Michael Lindell](#) to head up [Scholarships for Education Choice](#), a brand new initiative to provide low-income families with greater education options for their children. The program aims to provide scholarships to these children by taking advantage of Indiana's [School Scholarship Tax Credit Program](#), a provision that gives tax credits to individuals who contribute to private scholarship funds.

Before coming to Sagamore, Lindell served as director of Chase Bank's Health Education Student Loan Program. As a father of two young sons with individual personalities and learning styles, Mike is committed to creating opportunities for Indiana families who are pursuing the best educational journey for their children.

Why should Sagamore invest in a scholarship program?

We elected to become a K-12 scholarship granting organization to effectively engage in the discovery and debate that surrounds education reform. For Sagamore, it is not just about increasing access to education alternatives by removing the financial constraints of school choice, but understanding how this innovative policy operates when implemented. We want to be involved from the beginning so we know what works well and we have a seat at the table for making it stronger.

States like Florida, Arizona, Pennsylvania and Georgia have demonstrated the effectiveness of tax credit scholarship programs and have experienced broad support from both sides of the political aisle as well as from the White House. A bipartisan study of Florida's program concluded that their program saved the state \$1.49 for every \$1.00 of tax credits awarded. So it seems to make good fiscal sense for Indiana. But we also want to discover any unintended consequences of the program and better understand other circumstances Indiana households face—things like transportation costs, before *and after* school care, and tutoring needs.

A common misunderstanding about school choice supporters is that they are primarily concerned with deconstructing public education to the benefit of a private education. This is not true. School choice is about coming alongside families who

believe that a public education is the only option for their children and creating the opportunity for them to choose what they believe is best for their household.

The film "[Waiting for Superman](#)" (produced by Davis Guggenheim) has generated a lively national debate on the condition of America's public schools. What is your opinion of the film?

["Waiting for Superman"] was a great movie for shedding light on what is going on in education and the complexities that exist. It is a perfect example of why Sagamore wants to engage in the education reform conversation. I've yet to hear someone on either side of the debate say that we—as a state or nation—should just leave well enough alone and that the *status quo* is working just fine for us. Everyone seems to agree that education is the best gateway to improving the social climate of our cities and elevating our nation to its previous role as the leader in innovation and global competitiveness.

As a parent, one thing that struck me while watching the movie was that every family was made up of parents who wanted what they believed was the best education for their child. When it ended, what I really wanted to know was—what is happening in households with parents who aren't really engaged in the education of their child? For this reason, as Sagamore "gets in the game" with the tax credit scholarship program, I'm also really interested

in seeking organizations and services—like [Starfish Initiative](#) and [Shepherd Community Center](#)—who work with households that may not know they have a choice. And, if they do, what is keeping them leveraging this choice for their children?

So, in your opinion, do you think it's possible to fix the public education system or is it more important to focus on solutions like scholarships that help low-income kids go to private school?

We're not about getting kids out of public school and into private school. What we are about is facilitating choice for families where the public school is not meeting the needs of their children.

I just got an email from a lady whose daughter is having seizures. Her public school, in her opinion, is not in a position to accommodate the unique challenges her daughter presents. She's found a private school that she believes can manage it better, but she needs financial assistance to pursue this opportunity.

We are *not* anti-public education. We *are* pro-child and we believe in the powerful role that parents/guardians should play in their child's education. An Indiana child who receives positive support from their home and school has a much better chance of graduating from high school, pursuing a post-secondary degree, and securing employment. We believe this is a formula for generating sustainable solutions to generational poverty.

MAXIMIZE YOUR DONATION

To illustrate the potential tax savings a donor to **SCHOLARSHIPS FOR EDUCATION CHOICE** could experience, we asked the Certified Public Accounting firm of CapinCrouse, LLC (www.capincrouse.com) to provide an example. We understand that every potential donor's circumstances are different so the results may vary—please consult with a tax professional to determine individual tax savings potential.

As you consider making a donation to **SCHOLARSHIPS FOR EDUCATION CHOICE**, we would encourage you to research the available savings potential and consider increasing your donation—maximize the value of your gift and still realize significant savings through the federal deduction and 50% Indiana state tax credit. To assist with your research, we've provided the following tables and worksheet.

If your taxable income is between....	Your Federal tax bracket is...
\$82,400 and \$171,850	28%
\$171,850 and \$373,650	33%
\$373,650 and above	35%

Assumptions for Savings Illustration: Federal and state tax filings occur for the year the donation is made.
(PLEASE NOTE: The amount that you can reduce your federal taxable income may be impacted if your charitable giving for the year exceeds 30% of your income.)

Donation →	\$10,000	Federal Tax Brackets			Donation →	\$25,000	Federal Tax Brackets		
		28%	33%	35%			28%	33%	35%
	Federal Tax Savings	\$1,400	\$1,650	\$1,750		Federal Tax Savings	\$3,500	\$4,125	\$4,375
	Indiana Tax Savings (50%)	\$5,000	\$5,000	\$5,000		Indiana Tax Savings (50%)	\$12,500	\$12,500	\$12,500
	Total Tax Savings	\$6,400	\$6,650	\$6,750		Total Tax Savings	\$16,000	\$16,625	\$16,875
	True Cost of Donation	\$3,600	\$3,350	\$3,250		True Cost of Donation	\$9,000	\$8,375	\$8,125

Donation →	\$50,000	Federal Tax Brackets			Donation →	\$100,000	Federal Tax Brackets		
		28%	33%	35%			28%	33%	35%
	Federal Tax Savings	\$7,000	\$8,250	\$8,750		Federal Tax Savings	\$14,000	\$16,500	\$17,500
	Indiana Tax Savings (50%)	\$25,000	\$25,000	\$25,000		Indiana Tax Savings (50%)	\$50,000	\$50,000	\$50,000
	Total Tax Savings	\$32,000	\$33,250	\$33,750		Total Tax Savings	\$64,000	\$66,500	\$67,500
	True Cost of Donation	\$18,000	\$16,750	\$16,250		True Cost of Donation	\$36,000	\$33,500	\$32,500

The average cost of tuition at a private school is between \$5,000—\$6,000 per year. **How many more children could you help by re-investing the savings you experience by make a greater contribution?**

Many donors already support private schools by donating directly to the institution to assist with financial aid, capital campaigns and relevant expenses. We do not want schools to experience a decrease in this valuable funding channel because donors decided to give to **SCHOLARSHIPS FOR EDUCATION CHOICE**. Rather, we would encourage these generous individuals or companies to consider re-investing their savings from their donation to us by making an additional donation to the school.



DONATION FORM

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INDIANA'S KIDS

In order to secure the 50% Indiana state tax credit, **SCHOLARSHIPS FOR EDUCATION CHOICE** needs the information from this form for each donation. The Indiana Department of Revenue will supply us with a certification number that we will return to the donor with a letter of receipt. This letter is necessary when filing state and federal taxes. *Thank you for supporting Indiana families and SCHOLARSHIPS FOR EDUCATION CHOICE.*

DONOR INFORMATION

Questions? Contact:
Mike Lindell, Program Director
(317) 472-2052
Michael@sagamoreinstitute.org

This donation is from a(n): Individual Company

Company Name (if applicable)	
Full Name	
Address	
City/State/ZIP	
Telephone	
Email	
SSN (Individual Donation)	
Federal ID (Corporate Donation)	
I wish to receive occasional updates via email regarding	<input type="checkbox"/> SCHOLARSHIPS FOR EDUCATION CHOICE <input type="checkbox"/> Sagamore Institute

DONATION INFORMATION

Amount	\$	Date	
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Please indicate your intended desire for your donation:

- I wish for this donation to support the program's general scholarship fund.
 I wish for this donation to support scholarships at the following school:

School Name		<input type="checkbox"/> Yes, you can share my name and amount with the school.
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Make checks payable to: **Sagamore Institute**
Mail form and check to:

SCHOLARSHIPS FOR EDUCATION CHOICE
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Indianapolis, Indiana 46208